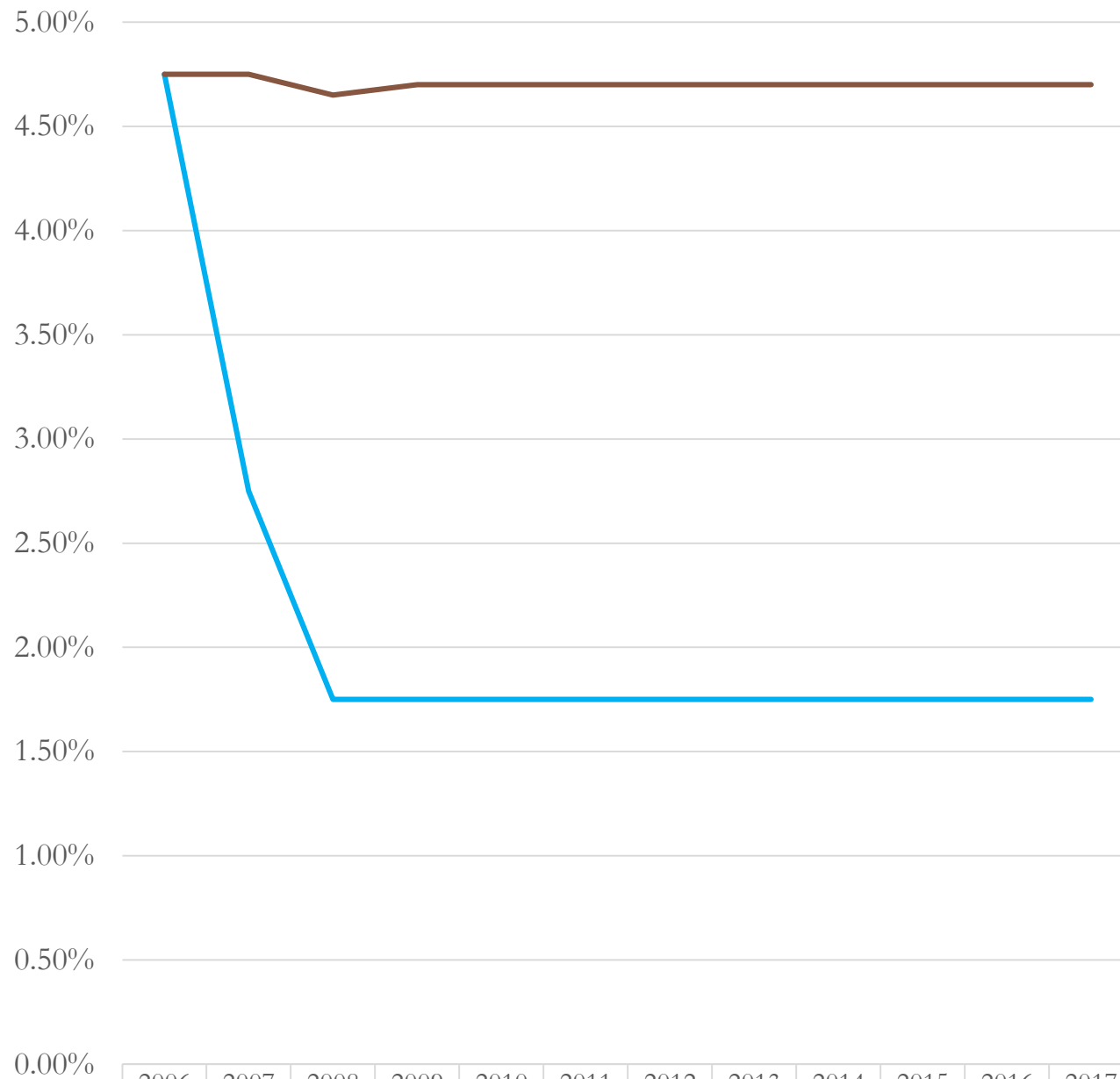


Food Tax

REVENUE AND TAXATION INTERIM COMMITTEE

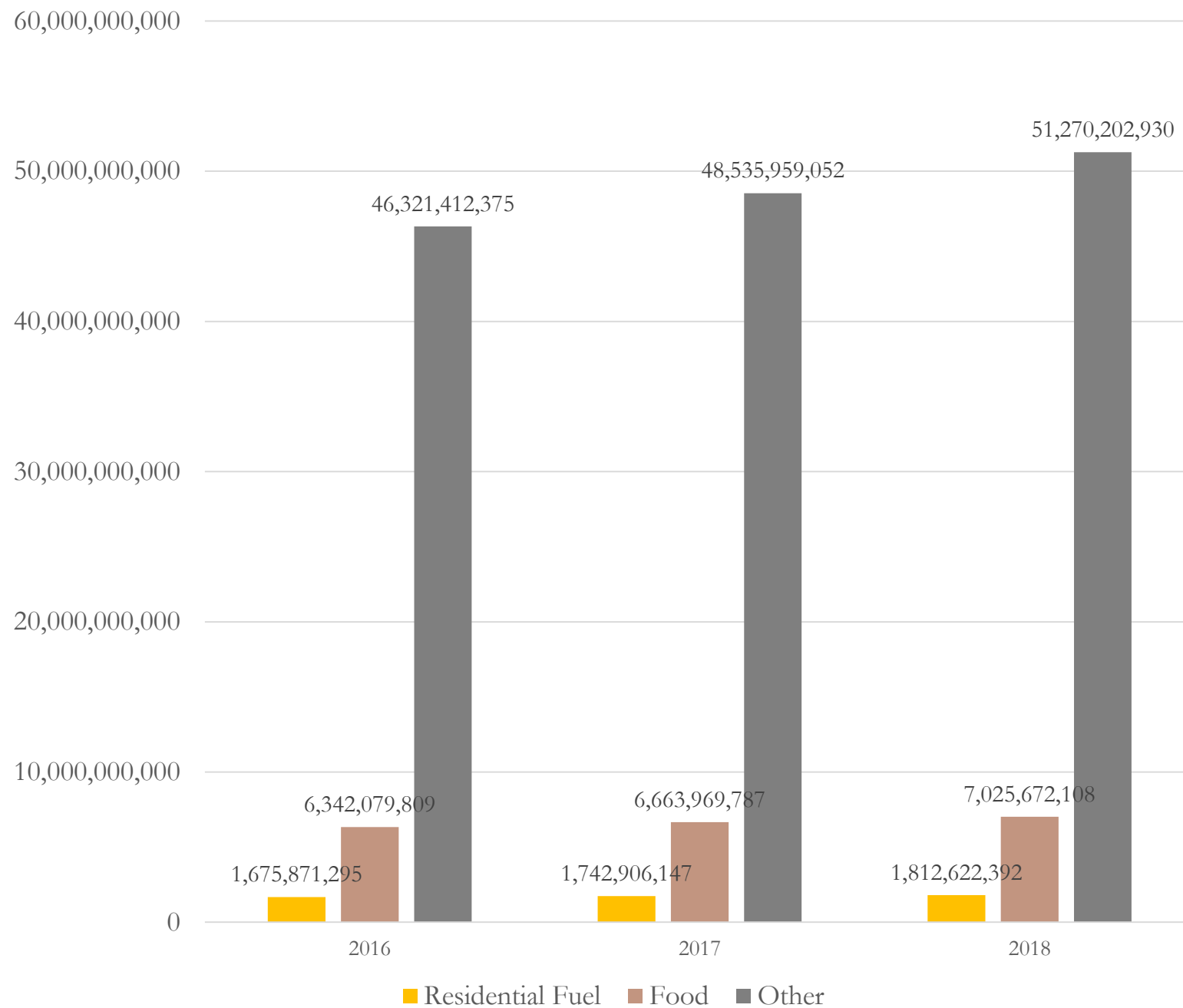
Food Sales Tax Rate and General Sales Tax Rate Across Time



Food Rate	4.75%	2.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
General Sales Tax Rate	4.75%	4.75%	4.65%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%

Food and Non-food Rate History

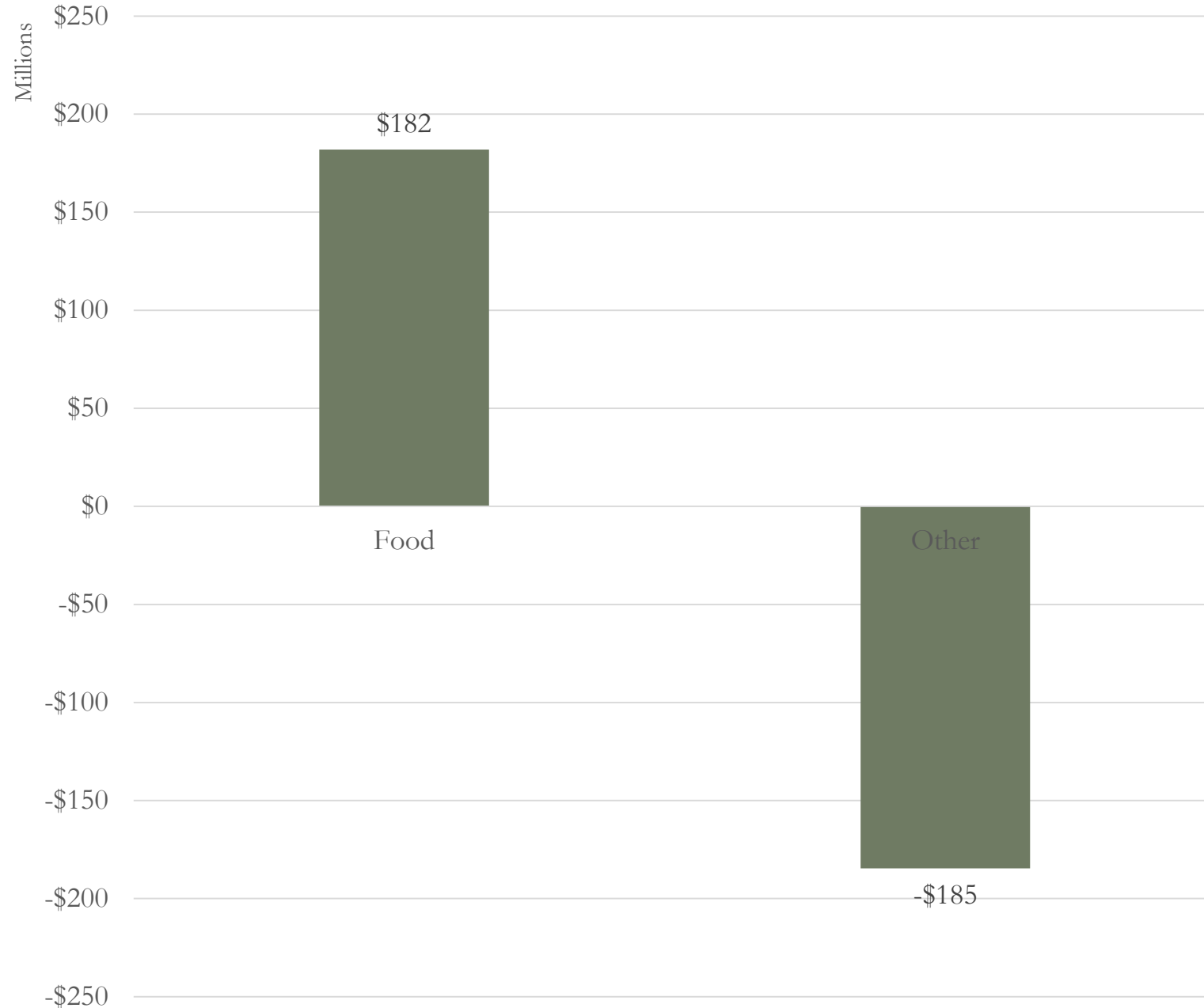
Sales Tax Bases



Taxable Sales Bases

How much revenue is associated with increasing the food tax rate to 4.7%?

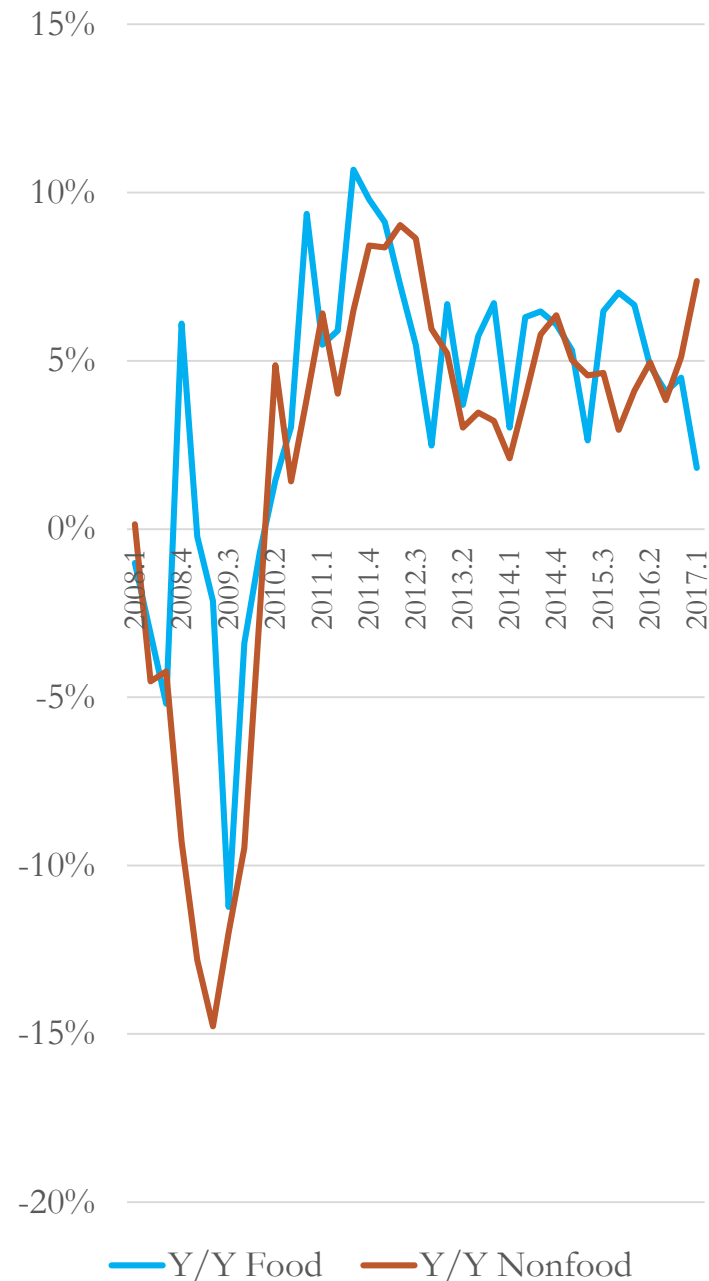
Revenue Change in FY 2018 from a 4.34% State Sales Tax Rate on Food and Non-food



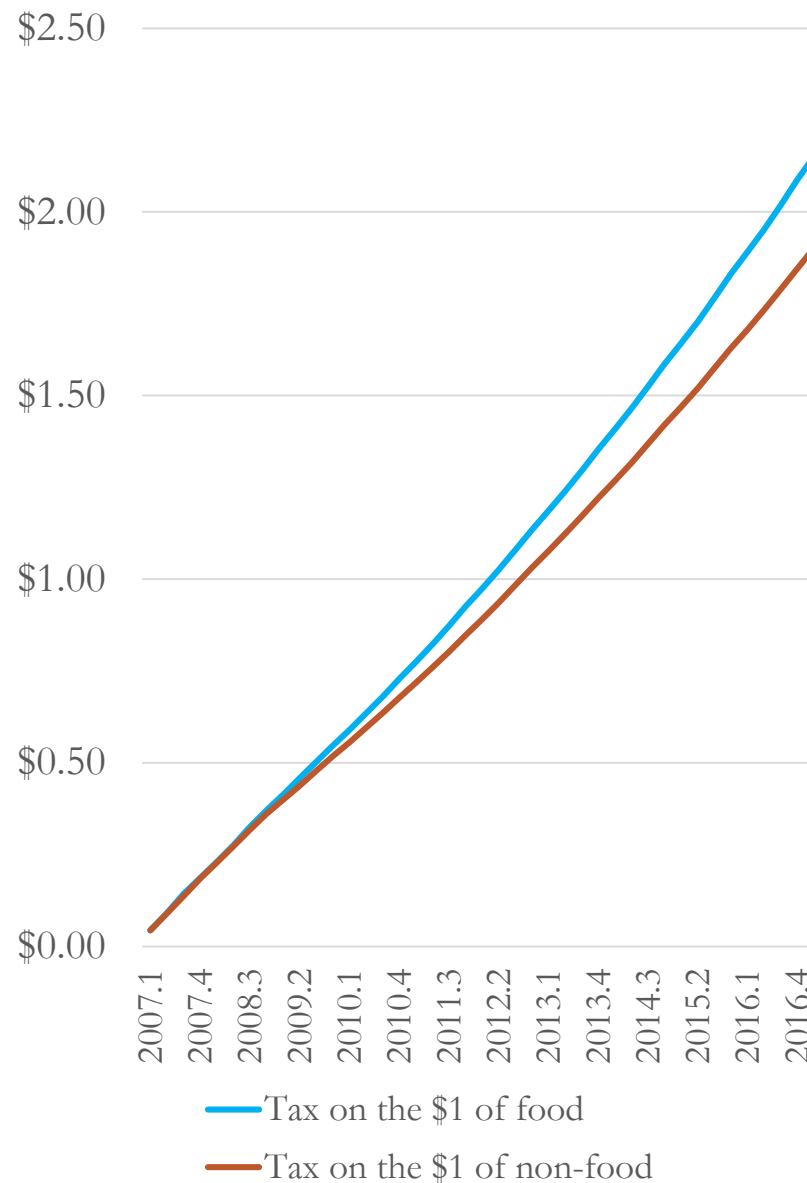
Revenue Neutral Rate

What is the revenue neutral sales tax rate that equalizes the food/non-food tax rate?

Y/Y Food and Non-food Taxable Sales



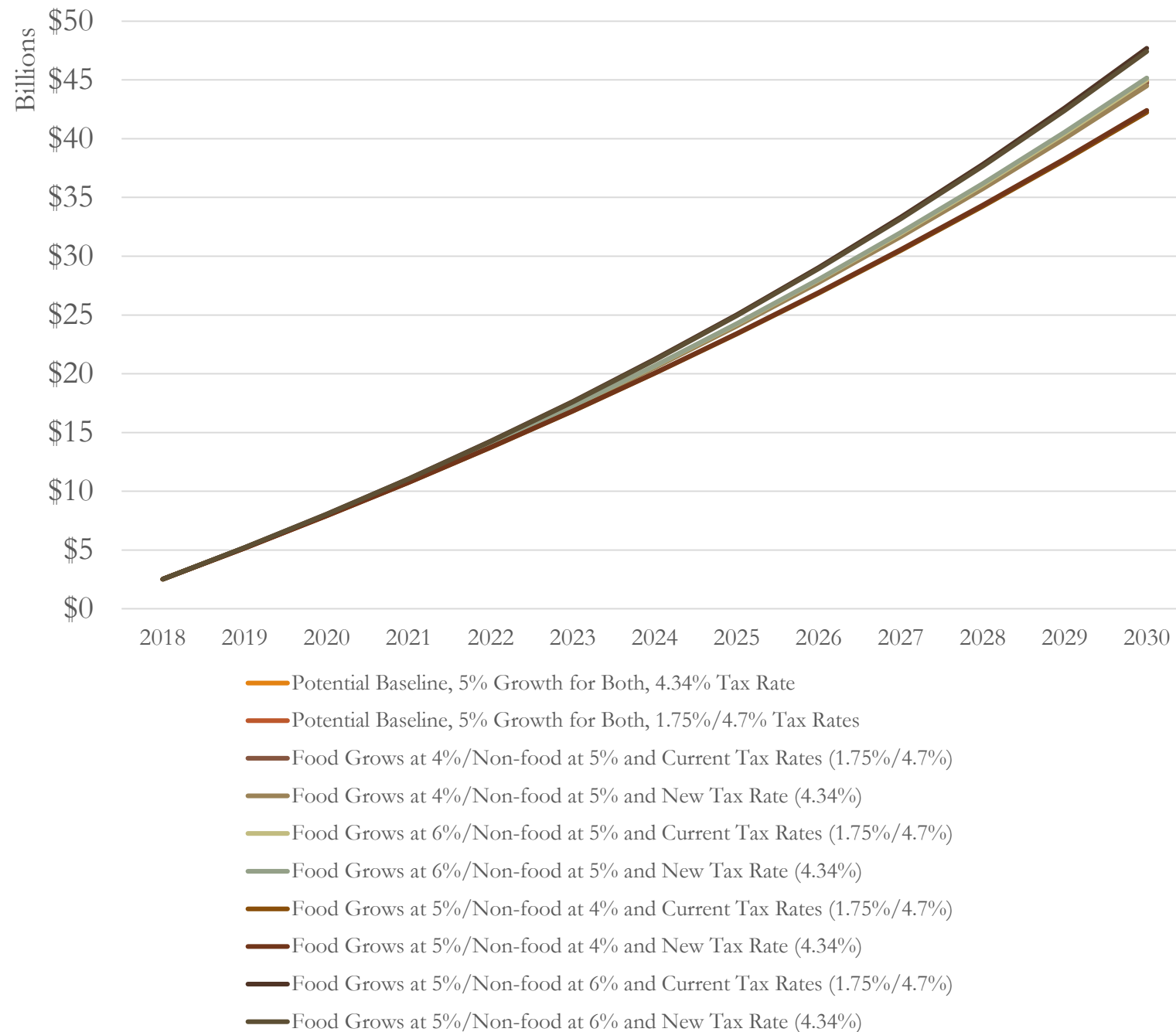
Cumulative Tax from:
\$1 of Food and \$1 of Non-food
Assuming Food/Non-food Grow at the
Historical Experience



Long-Run Budget Implications

What are the long-run budget implications?

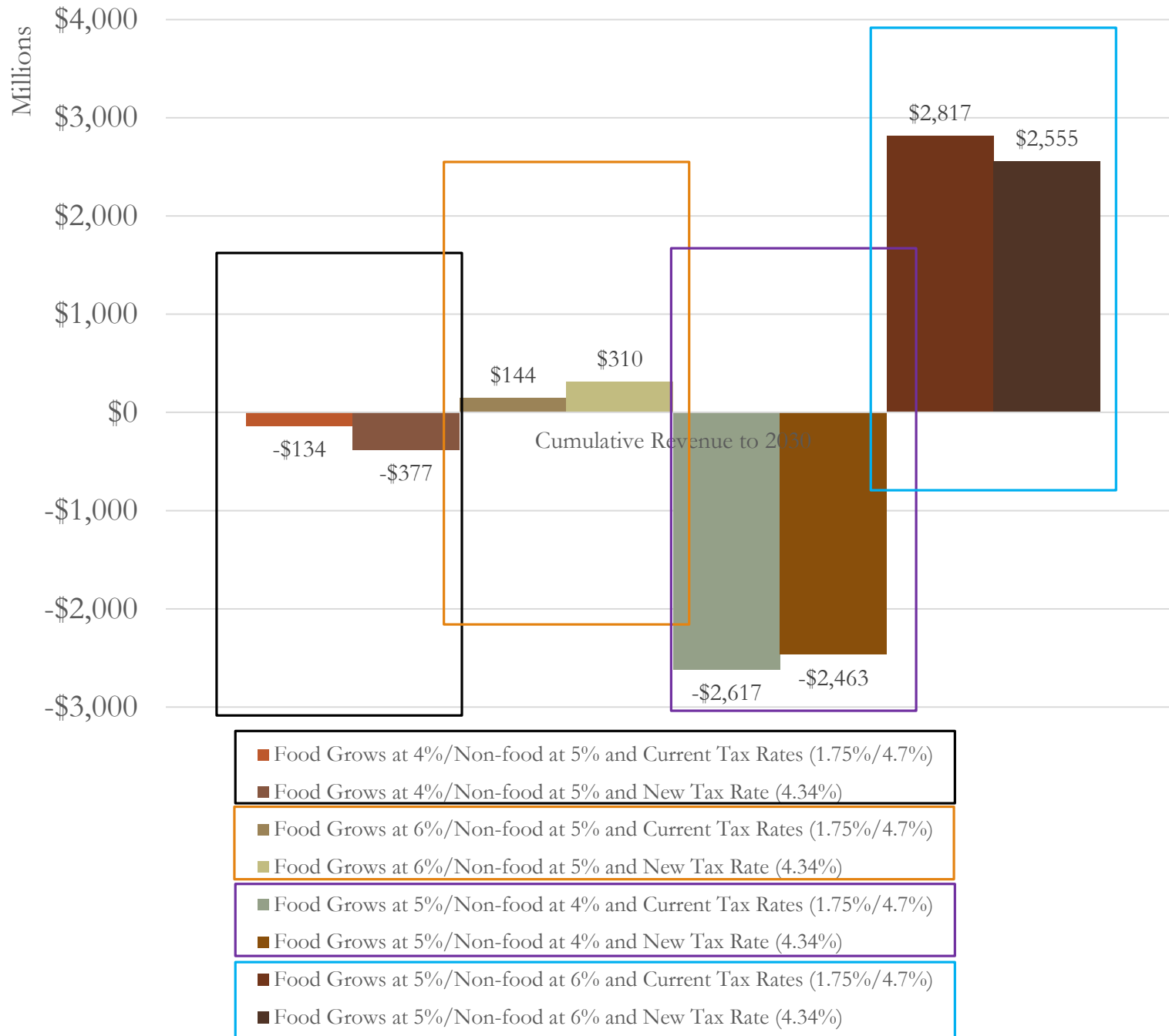
Various Cumulative Revenue Scenarios



Long-Run
Budget
Implications

What are the
long-run
budget
implications?

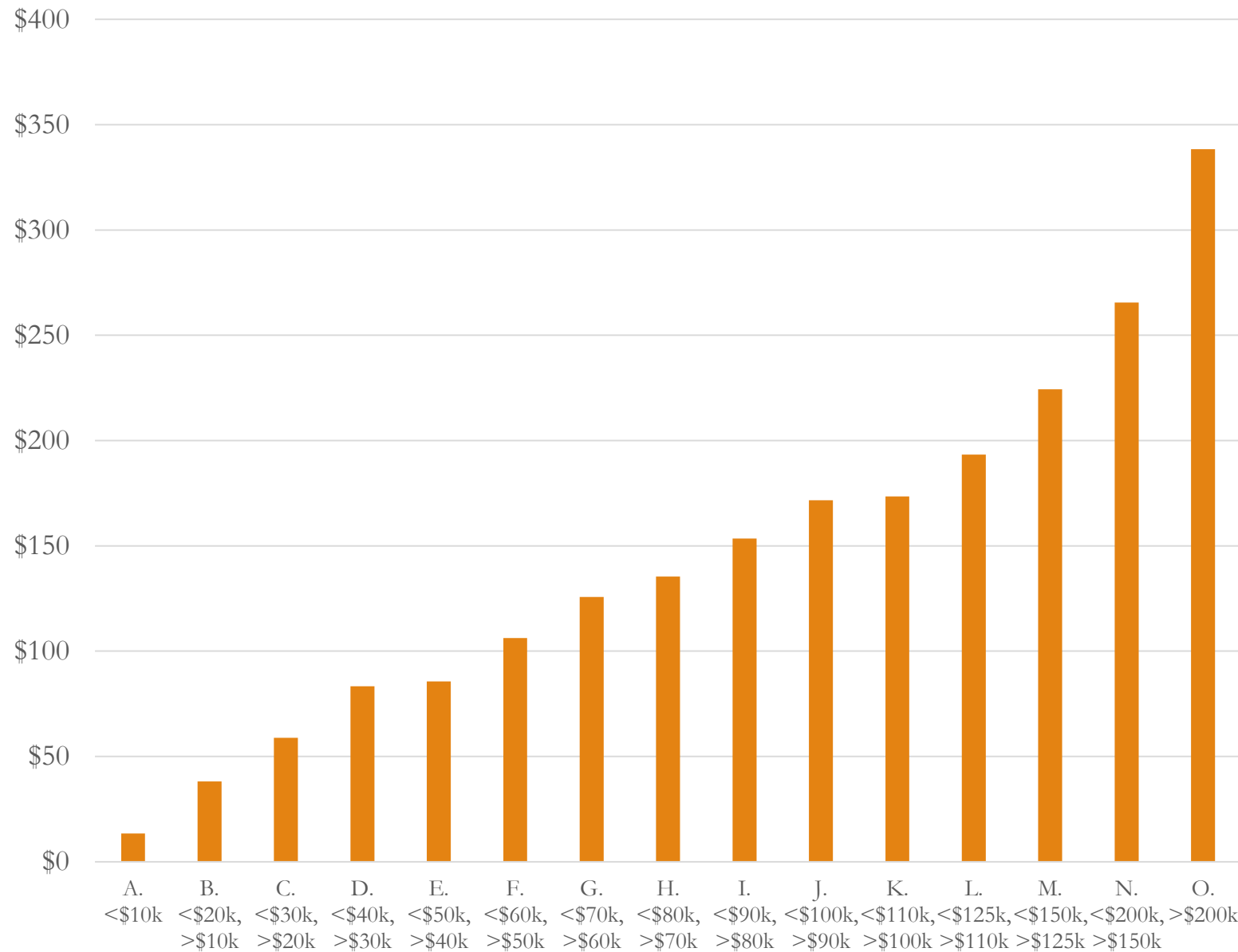
Various Cumulative Revenue Scenarios



Long-Run Budget Implications

What are the long-run budget implications?

Median Sales Tax Change by Income Group
by Lowering Overall Rate to 4.34% and
Increasing Food Rate to 4.34%
(Dollars per Year)



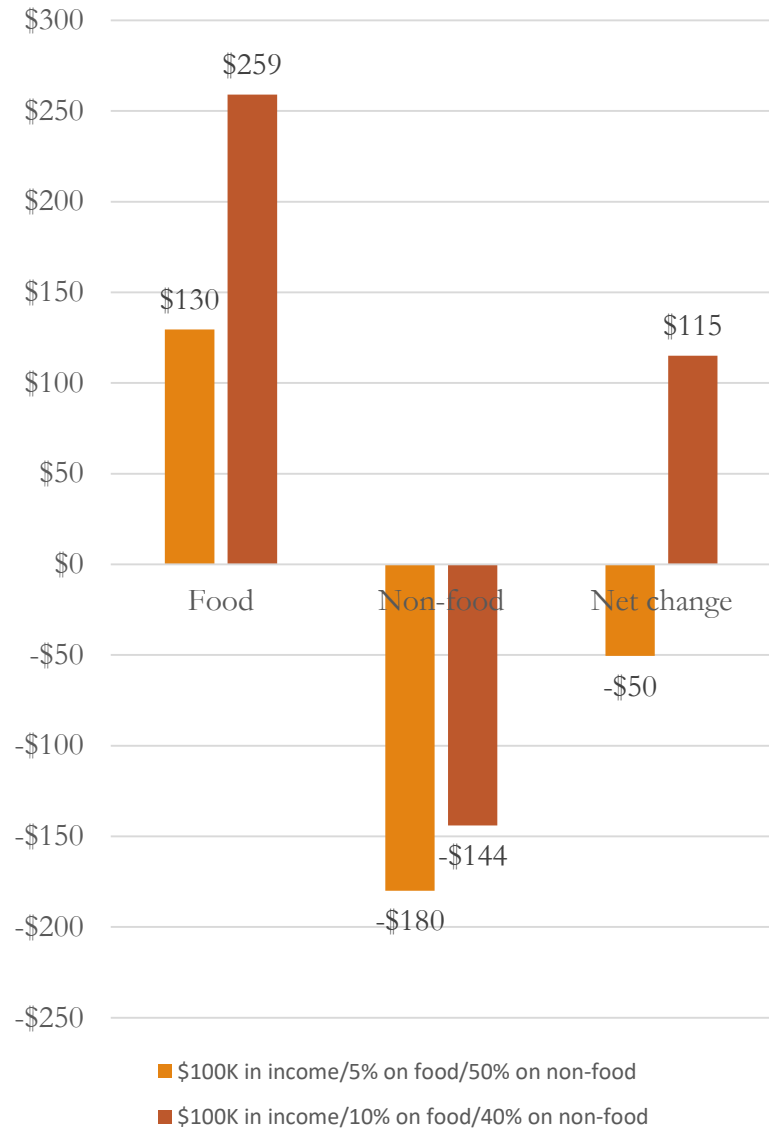
Individual Impact

What is the Impact by Income Group of an Equalized Rate?

Scenario 1:
\$10K in income/11% or 0% of
income on food/25% on non-food



Scenario 2:
\$100,000 in income/differing
percentages on food/non-food



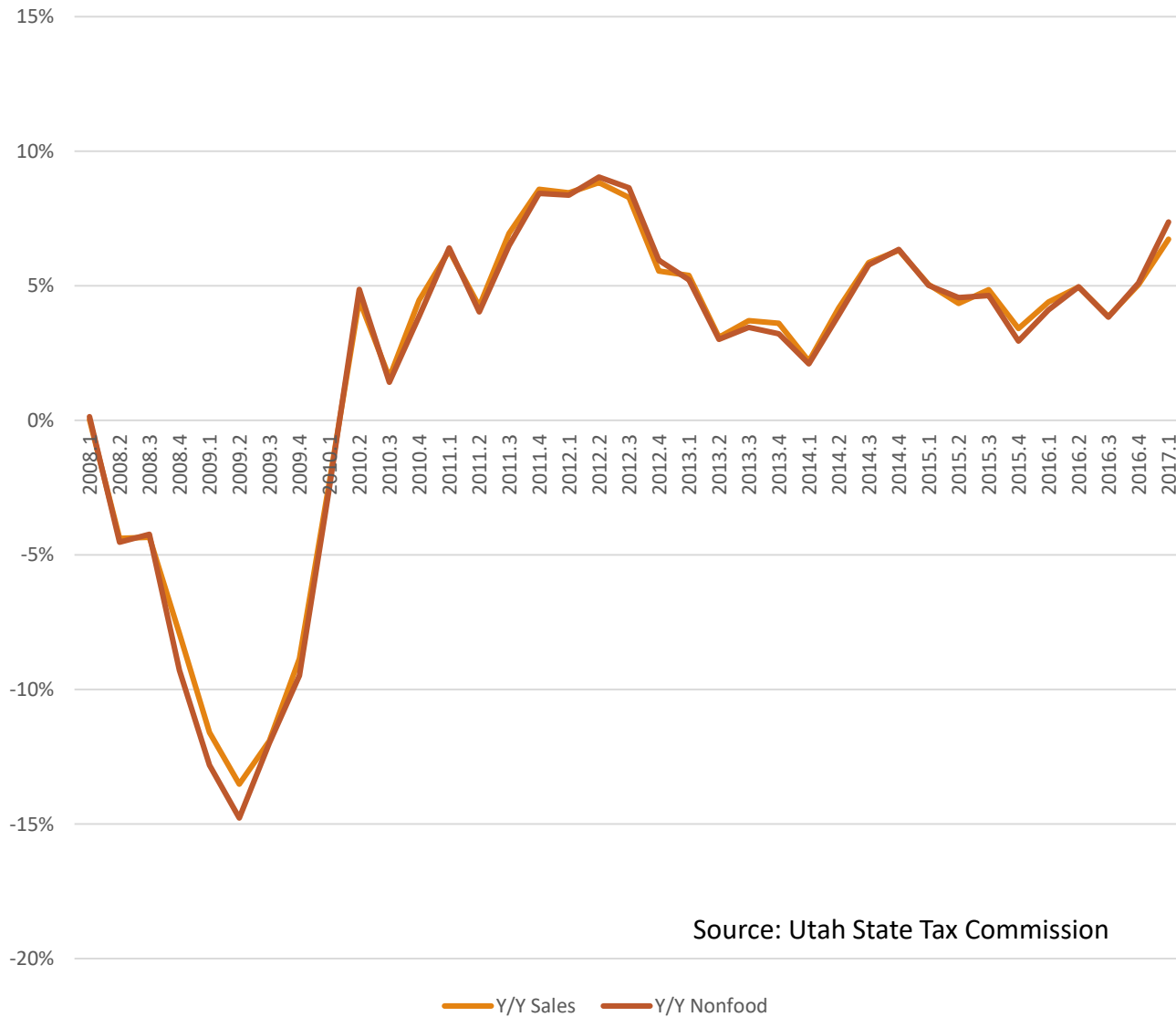
Scenario 3:
\$1,000,000 in income/differing percentages
on food/non-food



	Taxable Sales	Sales Tax Revenue @ 4.7%
Candy	\$161,590,458	\$4,766,919
Soda	\$314,285,714	\$9,271,429
Bottled Water	\$83,499,024	\$2,463,221
Dietary Supplements	\$455,053,884	\$13,424,090
Total Revenue		\$29,925,658
Revenue Neutral Rate for these 4		4.64%
Revenue Neutral Rate if Food goes to 0%		4.94%
Revenue Neutral Rate if Food goes to 0%, but candy, soda, bottled water, and dietary supplements are taxed at full rate		4.84%

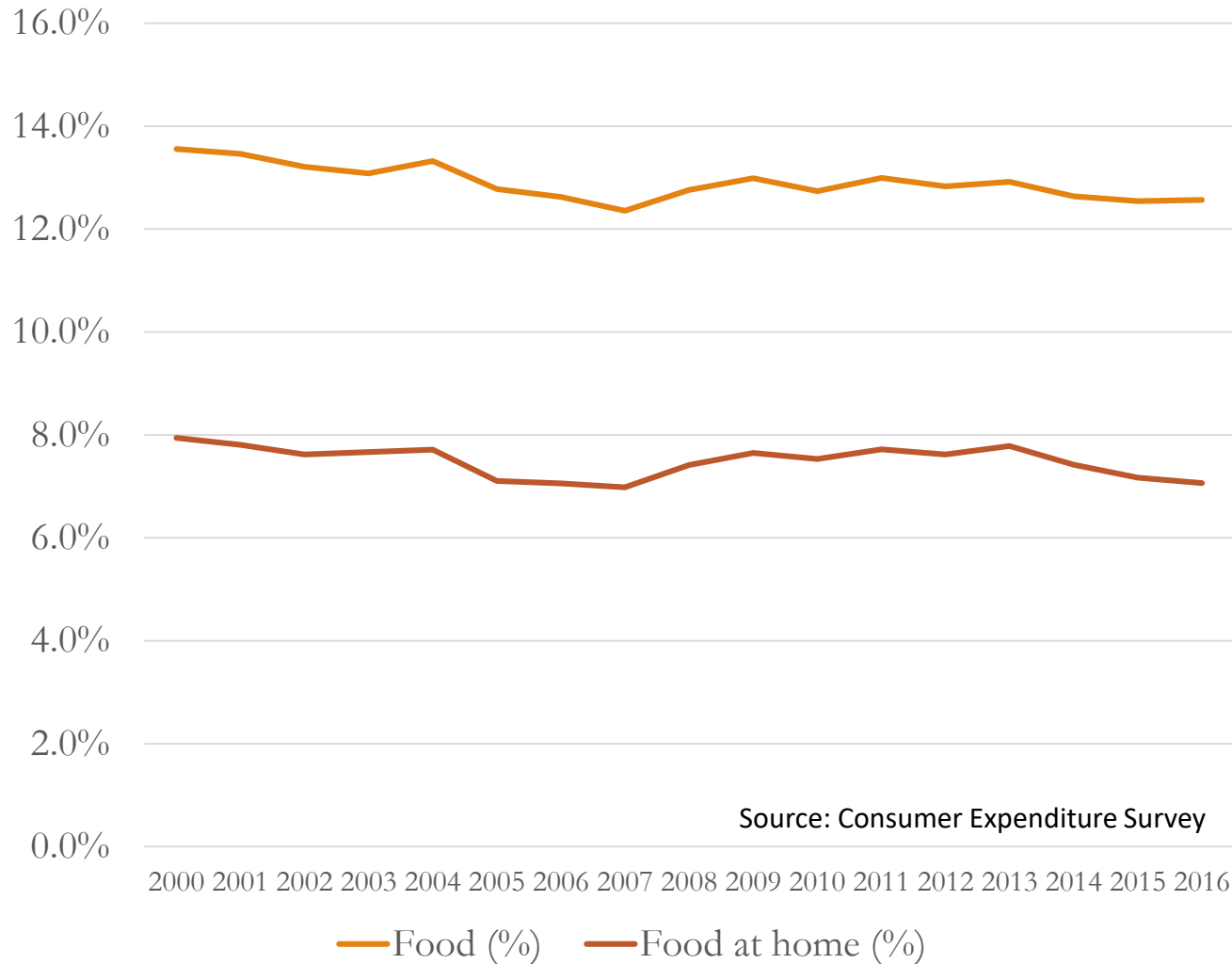
Follow-up Questions: Revenue Neutral Rates

Year-over-Year Growth in Total Sales Tax and Non-food Sales Tax



Follow-up
Question:
Year-over-Year
Growth in Total
Taxable Sales
and Non-food
Taxable Sales

Food and Food at Home Expenditures as a Percentage of Total Expenditures, Nationwide, 2000-2016



Follow-up
Question:
Consumer
Expenditures
on Food from
2000 to 2016